

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

FILED  
IN CLERKS OFFICE  
2005 OCT 21 P 1:23

REGAL FABRICS, INC.,

Plaintiff,

v.

KOBA, INC., an Illinois corporation;  
IBR CORPORATION, d/b/a Harbortown Division, an  
Illinois corporation; and  
SHOPKO STORES, INC., a Wisconsin corporation,

Defendants.

CIVIL ACTION  
NO. 04-10961 RWZ

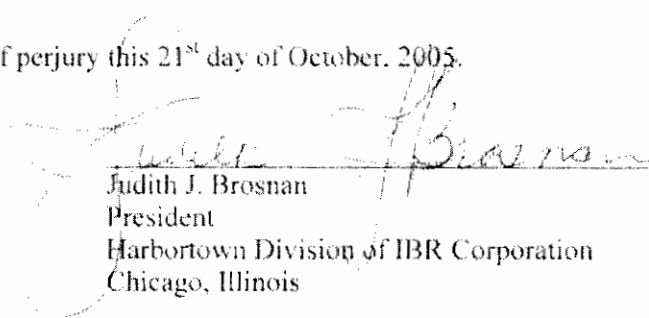
AFFIDAVIT OF JUDITH BROSNAN

I, Judith J. Brosnan, on oath depose and say:

1. I am President of the defendant Harbortown Division of IBR Corporation and I am personally familiar with the facts stated herein.
2. In the summer of 2005, when IBR agreed to contribute \$50,000 to the settlement of this case, IBR was not in serious financial trouble and was able to pay its bills.
3. However, several events occurred in August and September 2005 that led to a quick --- but temporary ---deterioration of IBR's cash flow condition.
4. First, back to school sales were extremely weak in August and September.
5. Second, our largest customer, Bed Bath & Beyond withheld payment of our account because they could not sell some of our merchandise. This action is unjustified and unlawful. Bed Bath & Beyond is currently holding \$123,000 of IBR's money.
6. IBR's other receivables will start getting paid at the end of October and through November. I reasonably expect that IBR will pay the \$50,000 before the end of November, if not earlier.

7. On behalf of IBR, I very much regret having caused this situation to occur. When we made the settlement, we certainly did not expect that we would be unable to contribute the \$50,000 in a timely manner. I apologize to the Court and to the plaintiff for this delay and assure the Court that IBR will be able to pay its \$50,000 share before the end of November, if not earlier.

Signed under the penalties of perjury this 21<sup>st</sup> day of October, 2005.

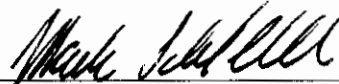


Judith J. Brosnan  
President  
Harbortown Division of IBR Corporation  
Chicago, Illinois

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true copy of the Defendants' Opposition to Plaintiff's Motion to Reopen and Enforce Settlement Agreement and the Affidavit of Judith J. Brosnan were served upon the attorney of record by hand on October 21, 2005.

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Dated: October 21, 2005